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Governor's Budget Fuels Job Growth, Education and Government Efficiency

Plan Closes Budget Gap, Spends \$1.5 Billion Less Than When Perdue Took Office

Gov. Bev Perdue today presented a two-year budget plan that cuts \$3.2 billion in state spending. The plan preserves every existing, state-funded teacher and teacher assistant position, provides investments and tax relief to create thousands of new jobs and guarantees a two-year college degree or two years of career training, tuition-free, to students who meet academic standards.

“This budget stands up to our economic challenges and equips us for the future by resetting how we grow jobs, educate our children and operate state government,” Perdue said. “The cuts are deep, and some are painful. But through careful management of our resources we can also make investments in our core priorities.

The budget for the 2011-2012 budget year is \$1.5 billion less than the state spent in 2008-2009, yet in that same time span the state's population has grown by more than 400,000 people – the equivalent of the populations of Fayetteville, High Point and Wilmington combined.

Community college enrollment has increased by 52,000 students. University enrollment jumped by 12,000. And 5,000 more students are attending public schools.

Under the Governor's plan, the state will spend 11 percent less per capita than it did three years ago and will employ 4,300 fewer general government workers – a 17 percent decline.

The spending plan boosts the Governor's top priority of creating jobs by providing \$500 million in tax relief for corporations and small businesses, creating an estimated 10,000 jobs over the next three years. The budget will lower the corporate income tax rate from 6.9 percent to 4.9 percent – the lowest in the southeast and third lowest in the nation. It also provides an unemployment insurance tax credit that covers 75 percent of the state's businesses.